Upper Santa Margarita Watershed Planning Region
Integrated Regional Water Management
Regional Water Management Group

June 10, 2011

California Department of Water Resources
Division of Integrated Regional Water Management
Financial Assistance Branch
Post Office Box 942836
Sacramento, CA 94236-0001
Attention: Trevor Joseph, Project Manager

Submitted Electronically: tjoseph@water.ca.gov

SUBJECT: PROP 84 IRWM IMPLEMENTATION ROUND 1 GRANT APPLICATION – COMMENTS ON PROPOSAL EVALUATION AND REQUEST TO RESCORE AND FUND THE UPPER SANTA MARGARITA WATERSHED PLANNING REGION

Dear Mr. Joseph:

The Upper Santa Margarita Watershed (USMW) Planning Region Regional Water Management Group (RWMG) has reviewed the Department of Water Resources (DWR) "Proposal Evaluation" for our Proposition 84 Integrated Regional Water Management (IRWM) Implementation Grant submittal. This letter presents our comments and clarification in response to the DWR Proposal Evaluation.

Based on the following comments, the USMW RWMG respectfully requests DWR reevaluate the USMW proposal with consideration of our clarifying comments, adjust the scoring to more appropriately reflect the specifics of our proposal, and award funding to the USMW Planning Region.

An important element in this consideration, the San Diego Funding Area is a non-competitive region regarding Prop 84 funding. The three planning regions in the San Diego Funding Area – USMW, San Diego and South Orange County – have signed a Tri-County memorandum of understanding that allocates the funding area's Prop 84 funding among us. Therefore, a comparison of points in other regions and funding areas should not be a deciding factor in funding within the San Diego Funding Area. The Tri-County regions have established a carefully balanced relationship, and value the collaboration, cooperation and integration of water management priorities, projects, and programs across our boundaries. We recognize the importance of inter-regional coordination across watersheds, aligned with funding allocations within the San Diego Funding Area. Funding in the USMW Planning region is critical to continue this successful and collaborative relationship.

In response to the DWR Proposal Evaluation, the following presents clarification to many points of DWR uncertainty about the USMW proposal. The USMW Region would like to note that while some DWR comments within the Proposal Evaluation were specific and are addressed in the following, many DWR comments are broad, vague and subjective (e.g., "does not seem feasible", "not all costs appear reasonable", "marginally addressed", etc), which provided us inadequate information or feedback to improve upon, and suggests, in some cases, a lack of project, region or industry understanding.

Since Project 5, Implementing Nutrient Management in the Santa Margarita River Watershed – Phase I, is currently recommended by DWR for funding, only Projects 1 through 4 are discussed in the following.

Work Plan

Positive comments from DWR about the Work Plan are valued and are recognized as the following: "The proposal represents significant coordination between the USMW planning region and the other IRWM planning regions in the funding area via the Tri-County Funding Area Coordinating Committee"; and "The proposal documents IRWMP goals and objectives and lists which project directly or indirectly implements each."

Some DWR comments that are generally positive although critical about the work plan are quite vague, which makes it difficult to respond effectively. These comments include, "The criterion is marginally addressed and documentation is incomplete or insufficient". In further review of the evaluation comments, we believe the subsequent DWR comments attempt to point out the "insufficiency" areas; therefore, we have addressed those specific comments as follows:

1. **DWR Comment:** "The proposal includes maps for each project, but some maps do not provide important information (Example: Project 1 – location of site restoration work, or Project 4 – location of development to be assessed or its proximity to waterways)."

   USMW Region Response:

   For the suite of proposal projects, Exhibit A, Work Plan, of the Prop 83 IRWM Implementation Grant Round 1 Proposal Solicitation Package (PSP) (August 2010) includes a directive for a Regional Map. The PSP states that the Regional Map is to include the location of activities or facilities of the projects, the water resources (groundwater or surface water) that will be affected; DACs within the region; and proposed monitoring locations.

   Refer to USMW Region Prop 84 Implementation Grant Application: Attachment 3, Work Plan, page 8 of 63

   Figure1, Regional Map with Project Locations: This map shows the location and/or boundary of each project on a regional level; shows the location of Vail Lake, which is the surface water affected; however, this particular map does not show the DACs within the region. The DACs are clearly shown on a regional map included in the USMW Planning Region IRWM Plan (Figure 2-12, p.2-69), which is on file with DWR. While monitoring activities are included within several of the proposed projects, the locations will be determined through development of the projects. Therefore, monitoring locations are shown as region wide on Figure 1.

   For individual project maps, Exhibit A, Work Plan, of the Prop 83 IRWM Implementation Grant Round 1 PSP (August 2010) also includes a directive for a Project Map that simply states, "Provide a site map showing the project(s) geographical location and the surrounding work boundaries." The following responds to DWR comments regarding Project 1 and Project 4.

   Project 1, Vail Lake Stabilization and Conjunctive Use Project, includes construction of a water transmission main and pump station, along with Quagga Mussel Control Facilities and native vegetation restoration. This restoration work includes 16.2 acres within the project site. The following sections of our application specifically address DWR's comment.

Refer to USMW Region Prop 84 Implementation Grant Application:

Attachment 3, Work Plan, page 15 of 63, Figure 2 - The Vail Lake project site is clearly shown on Figure 2, map of the Vail Lake project, which includes the location of the 16.2 acres of restoration work. Figure 2 is a high-level depiction of where the location of the project is, while Appendix A (Vail Lake project supplemental material) to Attachment 3 includes detailed maps of the native vegetation restoration.

Appendix A to Attachment 3: Included in Appendix A is the Compensatory Mitigation Plan for the native restoration portion of the project. Figure 2 of the Compensatory Mitigation Plan is a detailed map over multiple pages showing the location of the native vegetation restoration work and specific location by type of vegetation communities. The maps are a combination of satellite imagery and overlays, showing the length of the disturbance and vegetation area.

Project 4, Water Quality Enhancements in Riverside County, is a retrofit study to be conducted on a watershed basis, which should be clear from the project description. The proposal does indicate identification of specific retrofit projects will be determined, in part, based on its proximity to waterways, specifically to those impaired water bodies. The following sections of our grant application addresses this specifically:

Refer to USMW Region Prop 84 Implementation Grant Application:

Attachment 3, Work Plan, page 49 of 63

Task 2: Assessment and Evaluation – Identification of Retrofit Opportunities in the Santa Margarita Watershed

Subtask 2a: Research areas of existing development
Various sources of information about areas of existing development in the Upper Santa Margarita Watershed will be analyzed. Zoning and assessors' parcel information will be used to identify existing land uses and ownership and will be cross referenced to recent aerial photography; topographical information such as natural water courses and hydrologic sub areas will also be combined with MS4 maps; and available information about water quality impaired, eroded or otherwise modified receiving waters, information on public lands and infrastructure will be reviewed.

Refer to USMW Region Prop 84 Implementation Grant Application: Attachment to Work Plan

Order R9-2010-0016

Directives F.3.d.(1)
The Copermittee(s) must identify and inventory existing areas of development (i.e. municipal, industrial, commercial, residential) as candidates for retrofitting. Potential retrofitting candidates must include but are not limited to:

(a) Areas of development that generate pollutants of concern to a TMDL or an ESA;
(b) Receiving waters that are channelized or otherwise hardened;
(c) Areas of development tributary to receiving waters that are channelized or otherwise hardened;
(d) Areas of development tributary to receiving waters that are significantly eroded; and
(e) Areas of development tributary to an ASBS or SWQPA.

2. **DWR Comment:** "A discussion is included on how the suite of projects establishes synergies and linkages between projects, but some of the explanations of linkages are not clear."

   USMW Region Response:
   Since the DWR evaluation is not specific on which explanations are not clear, it is impossible to clarify or direct staff to a specific section of our Work Plan that may assist in clarifying synergies and linkages that are unclear to the reviewer. Notwithstanding, section 1.3 of the Work Plan demonstrates the established synergies and linkages.

   Refer to USMW Region Prop 84 Implementation Grant Application:

   Section 1.3 of the Work Plan (p. 9 of 63) demonstrates multiple synergies and linkages of the combined five proposal projects. Included are a combination of clean water, clean energy, a reduction in potable water demand and an increase in the quality of water to the region; natural integration of projects to reduce dependence on potable imported water; and importantly the linkage of the entire Santa Margarita Watershed with water quality benefits resulting from the project partnership with the San Diego IRWM Region.

3. **DWR Overall Comment:** "It does not seem feasible that three of the five projects can be implemented."

   a. **DWR Specific Comment: "**Project 2 in Task 3 states that 'detailed water budgets' will be conducted using updated Geographic Information System (GIS) Imagery and infrared data, but does not explain how this information will allow for a water budget calculation. Also, there is no discussion about if additional water budget input data is needed or would be attained, nor how they plan to secure property owner approval to survey and develop water budgets for 1,724 private agricultural operations."

      USMW Region Response: Using GIS imagery and infrared data for development of water budgets has become common practice among progressive water agencies. It has been proven through studies, data, and programs to be sufficient for developing water budgets. Many water agencies in recent years have instituted budget based tiered rates (BBTR) and used GIS and infrared to establish the associated water budgets. Rancho California Water District (RCWD) implemented BBTRs in 2010 and successfully used GIS and infrared to develop nearly 40,000 water budgets for its customers without the need to access properties. RCWD will utilize the existing GIS and infrared tools from the BBTR, with some specific upgrade for assessing irrigated acreage, to implement Project 2. Using GIS and infrared removes the need to gain owner approval to survey private agricultural operations. Therefore, the following proposal sections of the Work Plan, as submitted, have been accurately characterized and included based on the clarification provided.

      Refer to USMW Region Prop 84 Implementation Grant Application: Attachment 3, Work Plan, page 28 of 63

      Task 3: Water Budget Development: Develop accurate water budgets for 1,724 agricultural properties. Updated GIS imagery and infrared data will be purchased and customized for assessing irrigated acreage on a site by site basis. Irrigated acreage will be used in conjunction with crop type and crop water requirement data to develop site-specific water budgets.

Task 4: Site Identification – Identify agricultural properties that could benefit from Project participation. Historical site water usage will be compared with water budgets generated for Task 4 to identify sites where usage exceeds the budget. These sites will be targeted for irrigation system audits and retrofits.

b. DWR Specific Comment: "Project 4 lacks clarity on how priority sites for hydro-modification would be identified (what assessments would be performed)..."

USMW Region Response: As part of developing the Hydromodification Management Plan (HMP) for the watershed, several assessments will be researched as to their applicability. The following references the section of our application that addresses this:

Refer to USMW Region Prop 84 Implementation Grant Application: Attachment 3, Work Plan, page 50 of 63

Task 4: Hydromodification Management

Subtask 4a: Literature Review - This subtask will include research of methods for identifying streams that are susceptible to hydromodification, and methods for managing increases in runoff from developments. Existing resources on hydromodification assessment, and management methods and implementation techniques will be reviewed, including those developed by the Southern California Coastal Waters Research Project (SCCWRP) as part of their Hydromodification study, and guidance used in the San Diego, Sacramento, Contra Costa and Santa Clara HMPs.

c. DWR Specific Comment: "Project 4 lacks clarity on….what constitutes a retrofit."

USMW Region Response: Retrofit projects would include any type of project that would reduce impacts of existing development to the receiving waters within the watershed. The following sections of our grant application address this:

Refer to USMW Region Prop 84 Implementation Grant Application: Attachment 3, Work Plan, page 49 of 63

Task 2: Retrofit - This task will include researching, inventorying and prioritizing areas of existing development (i.e. municipal, industrial, commercial, residential) as candidates for targeted retrofit projects that would reduce the impacts of existing development on the watershed, and support the following objectives: water conservation, reducing impacts from hydromodification, promoting LID, supporting riparian and aquatic habitat restoration and improve water quality by reducing storm water pollutants.

Refer to USMW Region Prop 84 Implementation Grant Application: Attachment 3, Work Plan, pages 45-46 of 63

Project 4 Project Needs – The retrofit project will include an evaluation of public and private properties for water quality management measures such as Low Impact Development (LID) BMPs and other water quality/conservation/management measures and later phases will include implementing identified projects. Use of LID site design BMPs at new development, redevelopment and retrofit projects will help preserve and restore the natural hydrologic cycle of the site, allowing for filtration and infiltration and thus reducing the volume, peak flow rate, velocity, and pollutant loads of storm water runoff. (See MS4 Permit, Findings D.2.c. and D.2.g Order No. R9-2010-0016 pg. 9-10)

Refer to USMW Region Prop 84 Implementation Grant Application: Attachment to Work Plan

Order R9-2010-0016
Findings D.3.h and D.2.c

Findings D.3.h: Retrofitting existing development with storm water treatment controls, including LID, is necessary to address storm water discharges from existing development that may cause or contribute to a condition of pollution or a violation of water quality standards.

Findings D.2.c: Use of Low-Impact Development (LID) site design BMPs at new development, redevelopment and retrofit projects can be an effective means for minimizing the impact of storm water runoff discharges from the development projects on receiving waters. LID is a site design strategy with a goal of maintaining or replicating the pre-development hydrologic regime through the use of design techniques. LID site design BMPs help preserve and restore the natural hydrologic cycle of the site, allowing for filtration and infiltration which can greatly reduce the volume, peak flow rate, velocity, and pollutant loads of storm water runoff. Current runoff management, knowledge, practices and technology have resulted in the use of LID BMPs as an acceptable means of meeting the storm water MEP standard.

4. **DWR Overall Comment:** "Three projects lack scientific/technical information to justify the ability for the projects to address water resource issues."

   a. **DWR Specific Comment:** "Project 3 proposes to construct a power generation facility on an existing imported water turnout for power generation."

      USMW Region Response: Water and energy are inextricably linked. Ensuring clean, safe water requires large amounts of energy to supply, purify, distribute, and treat water and wastewater. Although integrated regional planning as defined by DWR does not yet recognize the benefit of energy projects in water operations unless there is specific water savings to the project, it should be noted that nearly 80 percent of costs associated with water processing and distribution are for energy. This project recovers a portion of that energy, which would otherwise be wasted and not available for other beneficial uses.

      Project 3 is an important element in the ability to integrate energy and water efficiency for a sustainable water supply and a healthy ecosystem in the Santa Margarita River. Since the Project, Hydroelectric Power Generation, will generate revenue utilizing existing topography and existing water transmission infrastructure to produce electrical power, the project will help to stabilize costs to meet an established Santa Margarita River base flow requirement per the settlement agreement with the Federal Government and provide much-needed groundwater replenishment. The project also meets a Statewide objective of developing alternative electrical generation facilities, National objectives of reducing atmospheric carbon dioxide, etc. Truly an integrated project. ***(Refer to Attachment 3, Work Plan, pages 32-38 of 63)***

   b. **DWR Specific Comment:** "Project 4 contains no specific information of the current status of stream habitats in need of protection, nor baseline information on the extent that existing development has adversely affected the streams."

      USMW Region Response: The Findings in the Order R9-2010-0016 state repeatedly that development is a direct cause and has adversely impacted

receiving waters (streams).

Refer to USMW Region Prop 84 Implementation Grant Application: Attachment 3, Work Plan, pages 45-46 of 63

Project 4 Project Needs: The watershed based analysis will allow for the best sites and most critical sites to be chosen for retrofit projects and stream restoration from hydromodification impacts. The original projects did not account for hydromodification impacts, but with the recently adopted Order No. R9-2010-0016 hydromodification management has been identified as necessary.

Current BMPs are not as effective in preventing negative hydromodification impacts to receiving waters including downstream erosion, impaired stream habitat in natural drainages and impaired beneficial uses. Use of LID site design BMPs at new development, redevelopment and retrofit projects will help preserve and restore the natural hydrologic cycle of the site, allowing for filtration and infiltration and thus reducing the volume, peak flow rate, velocity, and pollutant loads of storm water runoff. (See MS4 Permit, Findings D.2.c. and D.2.g Order No. R9-2010- 0016 pg. 9-10)

The current rate of redevelopment will not address water quality problems resulting from existing development in a timely manner therefore there is a need to identify retrofit projects for existing developments causing or contributing to pollution to the receiving waters… (See MS4 Permit, Findings D.3.h Order No. R9-2010-0016 pg. 11- 12)

Refer to USMW Region Prop 84 Implementation Grant Application: Attachment to Work Plan

Order R9-2010-0016
Findings D.2.g, D.2.c, D.1.f and D.3.h

Findings D.2g: The increased volume, velocity, frequency and discharge duration of storm water runoff from developed areas has the potential to greatly accelerate downstream erosion, impair stream habitat in natural drainages, and negatively impact beneficial uses. Development and urbanization increase pollutant loads in storm water runoff and the volume of storm water runoff. Impervious surfaces can neither absorb water nor remove pollutants and thus lose the purification and infiltration provided by natural vegetated soil. Hydromodification measures for discharges to hardened channels are needed for the future restoration of the hardened channels to their natural state, thereby restoring the chemical, physical, and biological integrity and beneficial uses of local receiving waters.

Findings D.2.c: Use of Low-Impact Development (LID) site design BMPs at new development, redevelopment and retrofit projects can be an effective means for minimizing the impact of storm water runoff discharges from the development projects on receiving waters.

Findings D.1.f: Development which is not guided by water quality planning policies and principles can unnecessarily result in increased pollutant load discharges, flow rates, and flow durations which can negatively impact receiving water beneficial uses. Construction sites without adequate BMP implementation result in sediment runoff rates which greatly exceed natural erosion rates of undisturbed lands, causing siltation and impairment of

receiving waters. Existing development generates substantial pollutant loads which are discharged in runoff to receiving waters.

Findings D.3.h: Retrofitting existing development with storm water treatment controls, including LID, is necessary to address storm water discharges from existing development that may cause or contribute to a condition of pollution or a violation of water quality standards. Although SSMP BMPs are required for redevelopment, the current rate of redevelopment will not address water quality problems in a timely manner. Cooperation with private landowners is necessary to effectively identify, implement and maintain retrofit projects for the preservation, restoration, and enhancement of water quality.

Budget

1. **DWR Comment:** "Not all costs appear reasonable, and supporting documentation is insufficient for a majority of the items shown."

   USMW Region Response: All costs in our proposal have been rationally and thoroughly calculated based on estimates, industry standards, past and current programs, and current agency labor costs. Cost development included the use of feasibility studies, preliminary design, and engineering cost estimates. Each project has identified, specifically for Planning/Design/Engineering and Construction/Implementation costs, that engineering cost estimates were received and used. Based on the information used to develop cost estimates, proposed costs should be considered reasonable. Further clarification to DWR budget detail concerns is provided in the following comment/response sections.

2. **DWR Comment:** "No detail is provided in the Construction/Implementation section of Project 2 to substantiate how they arrived at the pre-retrofit audit cost of $500 and the post-retrofit audit at $350, or how they arrived at a total costs for retrofit incentives of $800,000 by using a labor component (2,000 hours at $400/hr). This is not consistent with the Work Plan, which stated that the incentives will be based on 'approved' equipment cost."

   USMW Region Response: Pre-retrofit and post-retrofit cost estimates are based on past practice and current costs of implemented programs throughout the region. While specific contractor proposals will be secured as part of the project, we anticipate costs to be consistent with what is proposed.

   The Work Plan is accurate in stating incentives will be based on 'approved' equipment cost. To clarify, since the specific amount of these costs cannot be known until the program participants purchase equipment and they go through the approval process, for the purposes of developing a budget, assumptions were made calculating up to 2,000 incentives (not hours) at approximately $400 per incentive. This calculated assumption is based on past practice and is conservative, providing an opportunity for program adjustments. Column titles in Table N do not appropriately fit this line item (for "Incentives" it should be "each" not "hours"), although the costs are accurately projected (see Page 13 of 31, Attachment 4, Budget).

3. **DWR Comment:** "The consultant's budget for planning/design of Project 3 has indirect expenses assigned to each task, totaling $14,900, yet there is no information that relates the cost to particular work. The first line item in Project 3, task 3 claims 600 hours at an hourly rate of $75-$220/hr for a total cost of $102,000, whereas, after adding up the breakdown of consultant classifications and hours provided in the footnote, the total is $60,200."

USMW Region Response: Indirect expenses of the Black & Veatch (consultant) budget as shown in Table R are directly related to task work. As noted, indirect expenses are assigned to each task. Task 3 is the only task with subtasks – Pre-Design Evaluation, Site Investigations, and Turbine-Generator Procurement Package. Table R clearly shows the indirect expense cost per hour and the hours for each subtask. Therefore, subtask indirect costs can easily be calculated by multiplying the subtask hours by $8.75: Pre-Design Evaluation = $5,250; Site Investigations = $630; Turbine-Generator Procurement Package = $1,295. This is equal to the total Indirect Expenses for Task 3. ***(Refer to USMW Region Prop 84 Implementation Grant Application: Attachment 4, Budget, Table R, page 17 of 31)***

4. **DWR Comment:** "The consultant budget for Project 4, task 3, shows 1920 hours to 'prepare materials' with hourly rates ranging between $14.50-$19.50/hour; the footnote relating to this item is missing."

   USMW Region Response: The eight footnotes that are included show the high level of staffing required for this project; i.e., principal and senior engineers at a range of $140 - $215/hr. The one footnote that was mistakenly left out clearly includes lower level staff, i.e. interns, administrative assistants, etc. at a range of $14.50-$19.50/hr, specifically related to material preparation only within Task 3, Education and Outreach. The significant work for this project, from a financial standpoint, is included in Task 2, Identification of Retrofit Opportunities in the Santa Margarita Watershed, and Task 4, Hydromodification Management. This minor footnote omission should be reconsidered to be immaterial on scoring for the Budget criteria.

Schedule

1. **DWR Comment:** "The timing of Project 2 does not sound reasonable. The proposal states that they will begin the procurement process in July 2011 to obtain agricultural retrofit equipment, begin site identification in October 2011, start pre-retrofit evaluations in November 2011, and begin post-retrofit evaluations in January 2012."

   USMW Region Response: The reviewer's comments are incorrect. The Project 2 schedule shows procurement of an auditing contractor (Task 5) will begin in July 2011, not agricultural retrofit equipment as noted in the reviewer comments. The Project does not procure equipment; it provides incentives to participants of the program that invest in approved equipment, as clearly discussed in the Work Plan. Site Identification will begin in October 2011, which is reasonable, as is the remaining project schedule, subsequent to procurement of the auditing contractor. Since this is a clear error in review, any scoring reduction for this comment should be reversed.

   Refer to USMW Region Prop 84 Implementation Grant Application
   Attachment 5, Schedule, Project 2
   Task 5. Contractor Procurement
   Procurement Process – July 1, 2011 – August 1, 2011
   Execute Contract – August 2, 2011

2. **DWR Comment:** "The Project 3 schedule also seems unreasonable in that the final report is scheduled for completion nine months before construction is completed."

   USMW Region Response: The Schedule for Project 3 should have included Task 1, Administration, and Task 2, Reporting through June 2013. This was simply an error on the Gantt chart and not a reflection of actual activity for the project. The Work Plan discusses the length of the project as 16 months consistent with the Project Schedule in Attachment 5, and it is understood that reporting, as required in the Grant Agreement,

would continue through completion of construction. The following sections help to demonstrate this understanding in our proposal.

Refer to USMW Region Prop 84 Implementation Grant Application Attachment 3, Work Plan, Project 3, page 39 of 63

Paragraph before 4.3: Development of the Project would begin immediately upon execution of the grant agreement and is anticipated to be completed from permitting to construction in 16 months.

4.3 Proposed Work Tasks
Task 2: Reporting
Prepare and submit quarterly, annual and final reports on project process to DWR.
Deliverables: Submission of quarterly, annual and final reports as specific in the Grant Agreement.

3. **DWR Comment:** "It seems overly ambitious that the Project 1 work plan Tasks 3.2 (Assessment of Chlorination/dechlorination dosing rates and detention times), 3.3 (conceptual plan), and 3.4 (preliminary design) will all be completed in only one month as noted in the schedule."

USMW Region Response: The Work Plan and Schedule for Project 1 clearly show the ability to conduct Tasks 3.1 through 3.4 in a one-month period. The Project (Vail Lake Stabilization and Conjunctive Use Project) has been in construction since October 2009. Engineering staff and project consultants have completed a project Feasibility Study, as well as ongoing study and analysis regarding Chlorination/Dechlorination for Quagga Mussel Control. Since the raw water from Metropolitan Water District of Southern California (MWD) is known to contain quagga mussel and Vail Lake is currently free from quagga mussels, MWD has conducted a large amount of study and implementation on quagga mussel control strategies. Additionally, proposed facility drawings have been prepared and included in our Proposal as Appendix A to Attachment 3 (Work Plan). This information, combined with early consultation with the California Department of Fish and Game, has provided Rancho California Water District the opportunity to prepare for Tasks 3.2, 3.3, and 3.4. The following section from the Work Plan of our proposal specifically discusses this issue and demonstrates the ability to move quickly on Tasks 3.1 through 3.4.

Refer to USMW Region Prop 84 Implementation Grant Application Attachment 3, Work Plan, Project 1, pages 17-18 of 63

RCWD substantially completed construction of the VLTM&PS and a successful startup period in November 2010. As part of the Project, RCWD has been actively studying quagga mussel control strategies during construction and operation of the VLTM&PS. The proposed Vail Lake Quagga Mussel Control Facilities are intended to supplement the current quagga mussel control program operated by MWD. MWD's program consists of inspections of water conveyance systems, investigative studies to assess mussel transport and settling, vulnerability assessment of facilities at risk for quagga mussel spread from the Colorado River Aqueduct, evaluate screen designs at pumping plants, extensive chlorination, proposed isolation barriers and evaluation of integrated pest management.

The proposed Vail Lake Quagga Mussel Control Facilities consists of a coarse filtration step followed by an enhanced chlorination step performed at RCWD's EM-21 raw water turnout from MWD's San Diego Pipeline No. 6, followed by a dechlorination step performed at the Vail Lake Pump Station. Proposed facility drawings, *Proposed Filter and Chlorination Facilities at RCWD Turnout EM-21 Site* and *Proposed*

Dechlorination Facilities at Vail lake Pump Station, are included as Appendix A to Attachment 3. The proposed chlorine dosing rate is 5 mg/L. To accommodate the maximum pumping flow rate of 71 cfs for the Vail Lake project, the conceptual design equipment throughout the two sites includes the following:

- Three (3) 200-micron automatic, self-cleaning screen filters;
- Two (2) double contained plastic tanks totaling approximately 13,000 gallons of 12.5% sodium hypochlorite (for chlorination);
- Two (2) double contained plastic tanks totaling approximately 13,000 gallons of 30% calcium thiosulfate (for dechlorination);
- Chemical pumps;
- Chemical injection equipment;
- Chlorine residual analyzers;
- Piping (transmission and backwash) and valves; and
- Electrical/instrumentation and control items.

The proposed Quagga Mussel Control Facilities is based on extensive study conducted by RCWD beginning in 2007, when quagga mussels were first discovered in the Colorado River system, and continued through the recent RCWD Vail Lake Quagga Mussel Pilot Study conducted in early summer 2010. RCWD researched potential quagga mussel control solutions (including automatic self-cleaning screen filters), conducted raw water quality testing on raw water from MWD's Pipeline No. 6, performed current research literature reviews regarding effectiveness of quagga mussel filtration, and pilot tested three different screen filter manufacturers side-by-side in baseline (raw water) and elevated turbidity conditions. Among the pilot test conclusions, it was discovered that screen filtration removes a considerable amount of quagga mussels, but not all. Recommendations from RCWD's pilot study included the proposal to combine enhanced chlorination/dechlorination (to supplement MWD's chlorination) with screen filtration to best control quagga mussels for the Vail Lake Transmission Main and Pump Station Project. Kennedy/Jenks Consultants, along with quagga and zebra mussel expert, Renata Claudi of RNT Consulting, have served as scientific and engineering advisors to RCWD throughout the screen filtration pilot testing as well as the proposed Quagga Mussel Control Facilities.

The Vail Lake Quagga Mussel Control Facilities is ready for design and construction. An Initial Study and Mitigated Negative Declaration (IS/MND), completed in April 2007, will be amended for the Quagga Mussel Control Facilities, and the U.S. Bureau of Reclamation finalized its *Findings of No Significant Impact* for subsequent approval under the National Environmental Protection Act (NEPA). The majority of permits and agreements are in place, and a Regional Water Quality Control Board (San Diego) General Construction Permit will be obtained. No additional property is needed to purchase for the facilities because there is sufficient space available at both existing RCWD sites.

Proposed design of the Vail Lake Quagga Mussel Control Facilities is based on extensive study conducted by RCWD beginning in 2007, when quagga mussels were first discovered in the Colorado River system, and continued through the recent RCWD Vail Lake Quagga Mussel Pilot Study conducted in early summer 2010. RCWD researched potential quagga mussel control solutions including automatic self-cleaning screen filters, conducted raw water quality testing on raw water from MWD's Pipeline No. 6, performed current research literature reviews regarding effectiveness of quagga mussel filtration, and pilot tested three (3) different screen filter manufacturers side-by-side in baseline (raw water) and elevated turbidity conditions. Among the pilot test conclusions, it was discovered that screen filtration removes a considerable amount of quagga mussels, but not all. Recommendations from RCWD's

pilot study included the proposal to combine enhanced chlorination/dechlorination, to supplement MWD's chlorination, with screen filtration to best control quagga mussels for the Vail Lake Transmission Main and Pump Station Project. Kennedy/Jenks Consultants, along with quagga and zebra mussel expert, Renata Claudi of RNT Consulting, has served as scientific and engineering advisors to RCWD throughout the screen filtration pilot testing as well as this proposed control facility project.

Monitoring, Assessment, and Performance

1. **DWR Comment:** "The criterion is marginally addressed and documentation is incomplete and insufficient. For instance, Project 1 "

   a. **DWR Specific Comment:** "For instance, Project 1 proposes to measure natural flows and track groundwater pumping, yet, the project does not affect the natural flows to the lake, nor are there any targets for groundwater pumping."

   USMW Region Response: Project 1, Vail Lake Stabilization and Conjunctive Use Project, may affect the natural flows into the lake. Vail Lake has prescribed lake levels (minimum/maximum) that must be maintained. Natural flows are regulated into the lake to meet these required levels. With the addition of imported untreated MWD water into the lake, natural flows will be monitored and measured to balance the inflow for appropriate lake levels.

   Increased groundwater replenishment (4,521 AFY) is one of five project goals and not addressed as groundwater pumping since the focused goal of the conjunctive use project is seasonal storage to take advantage of imported water during wet years for storage and use during dry years. It is assumed that an equal amount of increased groundwater pumping to replenishment amounts would occur.

   Refer to USMW Region Prop 84 Implementation Grant Application Attachment 6, Monitoring, Assessment, and Performance Measures, page 3 of 17

   The table on page 3 of 17 includes Measurement Tools and Methods, which includes measuring both imported water and natural flows into the lake for optimum lake levels and system operation and control.

   b. **DWR Specific Comment:** "The measurement tool for determining a water budget proposed in Project 2 seems insufficient for this purpose (GIS Imagery software and infrared data used for determining irrigated acreage and crop type…)."

   USMW Region Response: As discussed under Work Plan Response 3(a) above, using GIS imagery and infrared data for development of water budgets has become common practice among progressive water agencies. It has been proven through studies, data, and programs to be sufficient for developing water budgets. As with many other water agencies in recent years, RCWD has instituted BBTRs and used GIS and infrared to establish the associated water budgets. RCWD successfully used GIS and infrared to develop nearly 40,000 water budgets. RCWD will utilize the existing GIS and infrared tools from the BBTR, with some specific upgrade for assessing irrigated acreage, to implement Project 2 and for measuring performance without the need to access private agricultural operations. Therefore, our proposal, as submitted, has been accurately characterized and included based on the clarification provided.

   c. **DWR Specific Comment:** "Some of the targets for Project 3 are already achieved and not relevant to the benefit the project adds (reliable delivery of base flows, steady

groundwater levels along the Santa Margarita River). Project 3 includes a metric target for the amount of energy generated, and the resulting revenue increase to support a goal of creating a reliable, new, clean energy source, but nothing about how much the project would contribute (percent increase) in overall embedded energy efficiency gain."

USMW Region Response: Project 3, WR-34 Hydroelectric Power Generation Project, does utilize an existing water supply, which may appear that certain targets are already met, such as water supply reliability, groundwater replenishment, and environmental and ecological enhancements. Revenue from this project would help to stabilize water rates and reduce operating costs, which provides additional funds to ensure purchase of MWD water for discharge into the river. This Project, thereby, advances water supply reliability to the Santa Margarita River, resulting in enhanced groundwater replenishment and ecological enhancements.

d. DWR Specific Comment: "Outcome indicators for Project 4 and Project 5 often inappropriately consist of a report. The narrative descriptions of the monitoring program for Project 4 and Project 5 are inadequate."

USMW Region Response: The monitoring plan for Project 5 was prepared by Southern California Coastal Water Research Project (SCCWRP) who is considered the regional experts in developing stormwater science and monitoring programs. Explanations of the monitoring plan can be found in the Work Plan section. For Project 4, the monitoring plan is explained in Order R9-2010-0016 (attachment to the Grant Application) and is a portion of the Hydromodification Management Plan (HMP) report.

Refer to USMW Region Prop 84 Implementation Grant Application: Attachment 3, Work Plan, page 60 of 63

Project 5 Subtasks

Subtask 4A: One of the group's first tasks will be to develop a monitoring program to support the development of nutrient WQOs. This will be done by identifying key questions and conceptual approach, determining specific technical activities and information required, evaluating existing data and identifying data gaps. The resulting products will be the monitoring plan and Quality Assurance Project Plan (QAPP) to be prepared by USMC Camp Pendleton.

Subtask 4C: In 2007, the SDRWQCB issued a Monitoring Order to San Diego Co-Permittees to collect data to support the calibration and validation of watershed loading and lagoon water quality models, with the specific purpose of calculating the "maximum load" of nutrients that the estuary can sustain and establishing the TMDL (load and waste load allocations, implementation plan, etc.). To assist in this effort, SCCWRP received funding from a Prop 50 grant to conduct special studies to complement the monitoring order…

This project will build on these existing efforts by reviewing, with stakeholders, the available data for selection of a macroalgal NNE target, and calibrating and validating the estuarine water quality model in order to estimate the "maximum sustainable load" of N and P. This work will form the basis for selecting N and P WQOs for the estuary and will inform the river nutrient WQOs by determining nutrient concentrations required to protect downstream (i.e. estuarine) beneficial uses.

Order R9-2010-0016 (Attachment to Prop. 84 Grant Application)
Directives F.1.h(1)(m) - (Included as part of the HMP report)

Include a description of monitoring and other program evaluations to be conducted to assess the effectiveness of implementation of the HMP. Monitoring and other program evaluations must include an evaluation of changes to physical (e.g., cross-section, slope, discharge rate, vegetation, pervious/impervious area) and biological (e.g., habitat quality, benthic flora and fauna, IBI scores) conditions of receiving water channels as areas with Priority Development Projects are constructed (i.e. pre- and post-project), as appropriate.

Economic Analysis – Water Supply Costs and Benefits

1. **DWR Comment:** "Above average levels of benefits relative to costs can be realized through this proposal; however, the quality of the analysis is moderate and supporting documentation is partially substantiated."

   USMW Region Response: The USMW Region is aware that nearly all the proposals submitted in the Prop 84 IRWM Implementation Grant Round 1 scored miserably on the economic analysis. While we are confident our proposed projects have a positive cost/benefit ratio, we look forward to working with DWR to determine how to improve the economic analysis on future proposals.

2. **DWR Comment:** "Project 1 costs are broken down into costs for a pipeline and pump station, and quagga mussel control facilities. Benefits are based on 4,521 acre-feet per year (AFY) of supply. The cost or opportunity cost, and the availability of water supply to this project are both not included. From page 12 of 26, the project 'will convey 4,521 AYF of raw-untreated MWD water from turnout EM-21 to Vail Lake.' Costs for the 'discounted rate for raw water' were missing. It may be discounted, but it is not zero. The benefit is based on the cost of MWD Tier 2 water, ranging from $851 to $919 per AFY; this seems acceptable, but costs should include the raw water costs. Replenishment rates are about ½ the Tier 2 treated rate, so if the water is available, benefits might be reduced by ½ to about $28M. Documentation that supports the availability of this supply would have helped this proposal."

   USMW Region Response: The cost of water supply to Project 1 should have been included in the Economic Analysis for Water Supply Costs and Benefits. All initial costs (capital), operation, maintenance, and replacement costs were included over the life of the project, appropriately allocated to 50 years for the transmission main and pump station and 30 years for the quagga control facilities.

   Including the cost for water purchases adjusts the total present value of avoided water import costs after discounting (see Table 12-A, Attachment 7, Economic Analysis, page 24 of 26) from $57,285,607 to $26,675,647. Even with this adjustment, Project 1 continues to have a good benefit-cost ratio of 1.3275 ($26,675,647/$20,093,982 [see Attachment 7, page 2 of 26]).

   Additionally, there is an avoided economic impact of shortages that the seasonal storage goal of the project to take advantage of imported water during wet years for storage and use during dry years. Since this avoided economic impact is difficult to quantify in advance of a specific shortage or regulatory restriction of supply, the proposal did not attempt to quantify this benefit, although it does exist.

   Refer to USMW Region Prop 84 Implementation Grant Application
   Attachment 3, Work Plan, page 14 of 63

The Project will take advantage of additional imported water during wet years for storage and use during dry years. Water could be temporarily stored in Vail Lake for future delivery to agricultural user or piped to the Pauba Groundwater Basin for recharge. Additional groundwater recharge would increase local storage, replenish groundwater levels, and enhance the reliability of local water supplies during dry years. The planned storage of this water for one years would allow RCWD to benefit from MWD's lower replenishment water rate.

Water Quality and Other Expected Benefits

1. **DWR Comment:** "Only low levels of benefits relative to costs can be realized through this proposal, as demonstrated by the analysis and supporting documentation. …"

   USMW Region Response: The Economic Analysis, Water Supply Costs and Benefits section of the Proposal Evaluation, specifically includes reviewer comments that state, "Above average levels of benefits relative to costs can be realized through this proposal…" The comment in this section is contrary to the Economic Analysis section, which gives us great concern about the accuracy of the review and evaluation of our proposal.

2. **DWR Comment:** "Project 3 benefits are hydropower benefits reported in the water supply section."

   USMW Region Response: Project 4, WR-34 Hydroelectric Power Generation, included avoided operation and maintenance (O&M) costs in the water supply section, which appeared appropriate based on the DWR-developed economic analysis tables.

   Refer to USMW Region Prop 84 Implementation Grant Application:

   Attachment 7, Economic Analysis, page 3 of 26: The Total present value of discounted costs, including future O&M accounted for avoided O&M [direct offset from revenue from the sale of electricity], is $1,305,800.

   Attachment 8, Water Quality and Other Expected Benefits, page 2 of 17: The qualitative benefits for Project 3 also include ecosystem restoration and power cost savings, based on direction in Exhibit D (page 49) of the Prop 84 IRWM Implementation Grant PSP. Exhibit D states, "Water Quality and Other Expected Benefits, may include, but are not limited to, the following benefit types." Specifically listed (page 50) is Power Cost Savings and Production. The value of power generated and sold was correctly included in Attachment 8 of our proposal.

3. **DWR Comment:** "Project 2 counts electricity savings as benefits. This appears to be a double count with water cost savings benefits as electricity costs is the major portion of water cost in this region."

   USMW Region Response: Project 2 energy savings is due to "reduced water pumping" as discussed in the Attachment 3, Work Plan and in Attachment 8, Water Quality and Other Expected Benefits. This energy savings is directly related to reduced water pumping to the agricultural sector in the west portion of the RCWD service area, which is served water by pumping up to a higher elevation. The reviewer incorrectly attributed the Project's proposed energy savings as a 'double count' for energy costs included in water costs in this region, suggesting included in the cost of imported water. Therefore, we request that scoring for Water Quality and Other Expected Benefits be adjusted to appropriate reflect our proposal.

Refer to USMW Region Prop 84 Implementation Grant Application: Attachment 8, Water Quality and Other Expected Benefits, page 6 of 17

Power Cost Savings

Agricultural Irrigation Efficiency Program: The Program will result in energy savings as shown in Table 16. Energy savings will result in approximately 1,500 kilowatt hours (kWh) per acre foot of water pumped. At an average rate per kWh of $0.09, more than $95,000 per year in savings in the first three years will be realized, and more than $285,000 per year in savings for the next 11 years will be realized. To determine the estimate of energy savings benefits, energy requirements in kWh for pumping an acre foot of water [up to the agricultural users in the RCWD service area] were applied to estimated acre feet of water supply benefits.

Economic Analysis – Flood Damage Reduction

4. **DWR Comment:** "Only low levels of benefits relative to costs can be realized through this proposal, as demonstrated by the analysis and supporting documentation. Only Project 4 claims a qualitative flood damage reduction benefit."

   USMW Region Response: This particular scoring criterion seems to be targeted at northern California concerns for levee instability and the potential for flooding. The USMW Region, similar to the other southern California regions, has limited exposure to this type of flood damage. Therefore, while the USMW Region Integrated Regional Water Management Plan does address flood damage potential, and the relative priority will vary by region, the IRWM Plan does not identify flood damage projects as a priority. Therefore, has not included these types of projects in the Prop 84 Implementation Grant proposal at this time.

   We believe having Flood Damage Reduction as a separate scoring criterion unfairly penalizes regions that have limited flooding concern. DWR should revise the Proposal scoring to more fairly score regions with limited flood damage issues, while recognizing the economic benefits of flood damage reduction projects in other regions.

Program Preferences

1. **DWR Comment:** "The proposal addressed six Program Preferences, but does not demonstrate a high degree of certainty that those preferences can be achieved. In addition, the proposal lacks thorough documentation for the breadth and magnitude of the Program Preferences to be implemented."

   USMW Region Response: The proposal specifically addresses each Program Preference that would be addressed by the suite of projects and by each individual project. While Attachment 11, Program Preferences, clearly enumerates the magnitude of Program Preferences that will be met through implementation of the suite of proposed projects, this section of the Proposal does not specifically cite the "certainty" of meeting the preferences. However, when evaluating the Work Plan, Budget and Schedule, along with the identification of Program Preferences the Proposal will meet, rather than just the Program Preferences section alone, a determination can easily be made that the projects are ready to proceed, will be implemented and completed within the proposed timeframe, and will result in the stated benefits; thereby, meeting the Program Preferences with great certainty. When evaluating the sections on Monitoring, Assessment and Performance, Economic Analysis, Water Quality and Other Expected Benefits, along with the Program Preferences together, a quantified and qualitative determination of the breadth and magnitude is easily realized. Rather than citing each of the individual sections that would lead to this conclusion, the following should be reviewed and considered with the work plans and quantified benefits:

Refer to USMW Region Prop 84 Implementation Grant Application:

Attachment 11, Program Preferences, page 2 of 9: The …Proposal includes a suite of five high-priority projects that when combined address long-term drought preparedness by combining critical water supply, water quality, environmental, and economic benefits to the region.

2. **DWR Comment:** "Projects 1, 2, and 4 address long term drought preparedness, but none address a critical water supply or water quality issue for a Disadvantaged Community (DAC)."

   USMW Region Response: Although not described in a separate paragraph, each project mentions benefits to the DAC in the introductory paragraphs. Project 4 is a watershed-based project so it benefits everyone within the watershed including DACs.

   Refer to USMW Region Prop 84 Implementation Grant Application:

   Attachment 11, Program Preferences, pages 2 – 6 of 9
   Project 1, 2, and 4

   The suite of projects will result in critical water supply and water quality benefits to either a majority of or the entire planning region, including DACs.
   There is a correlation between disadvantaged communities and water resource management issues in the upper watershed. Water resource management issues identified throughout Section 2 of the USMW IRWMP (2007) encompass the entire upper watershed and are linked to the vicinity of disadvantaged communities. For example, vineyard workers have become homeowners and now occupy multi-family housing units in disadvantaged communities adjacent to vineyards where they are employed. Efforts to improve water efficiency in agricultural areas increase agriculture sustainability therefore benefiting disadvantaged communities. Vail, Skinner, and Diamond Valley Lakes provide water resources and recreational opportunities to disadvantaged communities.

   Project 1 - Vail Lake Stabilization and Conjunctive Use Project: The project will provide primarily water supply benefits to the DACs within the RCWD service area.

   Project 2 - Agricultural Irrigation Efficiency Program: Also producing water supply benefits to DACs within the RCWD service area, this project will aid in sustaining regional agriculture by reducing agricultural water requirements for 2,000 acres of irrigated agriculture land by 2,115 acre-feet per year (AFY) through implementation of on-farm water use efficiency strategies.

   Project 4 - Water Quality Enhancement in Riverside County: This project will benefit the DACs within Riverside County. The project aims to reduce impacts from hydromodification, promote low impact development (LID), support riparian and aquatic habitat restoration, and reduce the discharges of storm water pollutants and improve water quality.

We are confident you will find our clarifying comments compelling to provide funding to the USMW IRWM Region. If scoring adjustments provide the opportunity for partial funding, we respectfully request that DWR consider the following funding priority of our proposed projects: 1) Project 1, Vail Lake Stabilization and Conjunctive Use Project; 2) Project 4, Water Quality Enhancement in Riverside County; 3) Project 2, Agricultural Irrigation Efficiency Program; and 4) WR-34 Hydroelectric Power Generation Project.

The Tri-County FACC is a model for planning among regions within a funding area and deserves DWR's support. Funding for both planning and implementation within all planning regions of the San Diego Funding Area is critical in continuing this collaborative approach for integrated regional water resource management strategies. Attached are letters of support from the San Diego IRWM Region and the South Orange County IRWM Region.

Please direct any questions to Denise Landstedt, Water Resources Planner, Rancho California Water District, at landstedtd@ranchowater.com or (951) 296-6916. Thank you for your consideration of our comments and clarification of DWR's evaluation of the USMW Prop 84 IRWM Implementation Grant Application. We are confident that DWR will thoroughly review the clarification provided and find the information useful and compelling in your consideration of rescoring and funding of our application.

Sincerely,

RIVERSIDE COUNTY UPPER SANTA MARGARITA WATERSHED REGIONAL WATER MANAGEMENT GROUP

Mike Shetler
Upper Santa Margarita IRWM RWMG
County of Riverside

Jason Uhley
Upper Santa Margarita IRWM RWMG
Riverside County Flood Control &Water Conservation District

Perry Louck
Upper Santa Margarita IRWM RWMG
Rancho California Water District

Attachments:
San Diego Integrated Regional Water Management Group Letter of Support
South Orange County Regional Water Management Group Letter of Support

June 10, 2011

California Department of Water Resources
Division of Integrated Regional Water Management
Financial Assistance Branch
Post Office Box 942836
Sacramento, CA 94236
Attn: Trevor Joseph
Submitted Electronically: Project Manager - Trevor Joseph, tjoseph@water.ca.gov

SUBJECT: LETTER OF SUPPORT FOR THE UPPER SANTA MARGARITA WATERSHED REGION PROP 84 IRWM IMPLEMENTATION GRANT

Dear Mr. Joseph:

The San Diego Regional Water Management Group (RMWG) has reviewed the Upper Santa Margarita Watershed (USMW) Region's Implementation Grant evaluation and scoring as prepared by the Department of Water Resources (DWR). We firmly support the USMW RWMG's request that DWR consider the clarifying comments submitted by the USMW Region about its grant application.

We request that DWR reevaluate the USMW application in light of the fact that the San Diego Funding Area is non-competitive regarding Proposition 84 funding. The three planning regions in the San Diego Funding Area – USMW, San Diego and South Orange County – have signed a Tri-County memorandum of understanding that allocates the funding area's Proposition 84 funding among them. Given this situation, DWR should consider the USMW application not for how its point total compares to those received by other applicants, but by how well the projects being proposed will help to achieve the goals established by DWR for the grant program and by the USMW Region for its IRWM program.

As a member of the Tri-County Funding Area Coordination Committee (FACC), the San Diego RWMG also asks that DWR take into account the importance of the carefully balanced relationship between the three FACC members. We value the collaboration, cooperation and integration of water management priorities, projects, and programs across our boundaries with the USMW and South Orange County RWMGs. The Tri-County FACC recognizes the importance of inter-regional coordination of programs across watersheds, aligned with funding allocations within the San Diego Funding Area.

Funding for both planning and implementation within all planning regions of the San Diego Funding Area is critical to continuing this collaborative approach for integrated regional water resource management strategies. The USMW Region's Implementation Grant submission includes appropriate and substantial projects to achieve integrated water management in the San Diego Funding Area.

We appreciate the opportunity to provide this letter of support for the USMW Region's Proposition 84 IRWM Implementation Grant Round 1 application and the clarifying comments it is submitting. The Tri-County FACC is a model for planning among regions within a funding area and deserves DWR's support. We urge DWR to reconsider the USMW grant application from the perspective of the unique circumstances in the San Diego Funding Area.

Sincerely,

Mark Stadler
San Diego County Water Authority
San Diego IRWM Program Manager

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

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June 10, 2011

Trevor Joseph, Project Manager
California Department of Water Resources
Division of Integrated Regional Water Management
Financial Assistance Branch
Post Office Box 942836
Sacramento, CA 94236

Submitted Electronically tjoseph@water.ca.gov

Dear Mr. Joseph:

SUBJECT: LETTER OF SUPPORT FOR THE UPPER SANTA MARGARITA WATERSHED REGION PROP 84 IRWM IMPLEMENTATION GRANT

Municipal Water District of Orange County (MWDOC), on behalf of the County of Orange and the stakeholders of the South Orange County Regional Water Management Group (RMWG), has reviewed the Upper Santa Margarita Watershed Region Implementation Grant evaluation and scoring as prepared by DWR. We firmly support Upper Santa Margarita Watershed (USMW) RWMG's request that DWR consider the comments submitted by the USMW Region to allow their grant application to be rescored so that the USMW Implementation Grant is funded during Round 1.

As a member of the Tri-County Funding Area Coordination Committee (FACC), the South Orange County RWMG values the collaboration, cooperation, and integration of water management priorities, projects, and programs across our boundaries with the USMW and San Diego RWMGs. The Tri-County FACC recognizes the importance of inter-regional coordination of programs across watersheds, aligned with funding allocations within the San Diego Funding Area. The Memorandum of Understanding among the three RWMGs recognizes and demonstrates the importance to improve inter-regional cooperation, efficiency and the IRWM planning process.

Funding, both planning and implementation, within all RWMGs of the San Diego Funding Area is critical to continuing this collaborative approach for integrated regional strategies for management of water resources. The USMW Region Implementation Grant submission includes appropriate and substantial projects to achieve integrated water management in the San Diego Funding Area.

We appreciate the opportunity to provide this letter of support for the USMW Region Prop 84 IRWM Implementation Grant Round 1 submission and their clarifying comments, and urge DWR to consider an accurate rescoring of their submittal for funding.

Sincerely,

Kevin P. Hunt, P.E.
General Manager
Municipal Water District of Orange County
On behalf of the South Orange County RWMG